
BARBERS POINT NAVAL AIR STATION REDEVELOPMENT COMMISSION

**ANNUAL REPORT
FISCAL YEAR 2002**

Developing the community at Kalaeloa!

BARBERS POINT NAVAL AIR STATION REDEVELOPMENT COMMISSION ANNUAL REPORT - FY2002

July 31, 2001 – June 30, 2002

From July 1, 2001 to June 30, 2002, the Barbers Point Naval Air Station (BPNAS) Redevelopment Commission used its Kalaeloa Community Development District (KCDD) Revolving Fund to contract with Bill Bass & Associates to provide Executive Director services and cover most of the Commission's other operating expenses. The State Departments of Hawaiian Homelands (DHHL) and Transportation (DOT) provided the funds needed to retain the Commission's Secretary in exchange for services to be provided by the Commission during fiscal year 2001-02.

The BPNAS Redevelopment Commission changed as a result of Hawaii's 2002 Legislative Session. On May 2, 2002, the Hawaii State Legislature passed SB 2702, SD2, HD2, CD1 Relating to the Kalaeloa Community Development District. Governor Cayetano signed the Bill into Law on June 25, 2002. The Bill transferred the duties and responsibilities of the BPNAS Redevelopment Commission to the Hawaii Community Development Authority (HCDA) effective July 1, 2002 and disestablished the Commission on that date. The Bill contained no General Fund or Capital Improvement Project (CIP) funding, but did provide a Revolving Fund ceiling of \$500,000. The Bill also authorized HCDA to assess the non-federal property holders for its annual operating costs and added five new members to the Authority to represent the Kalaeloa District. These new members will vote only on Kalaeloa issues.

On June 26, 2001, the Commission relocated its headquarters and staff consisting of the part-time Executive Director and full-time Secretary to space provided by the State Historic Preservation Office in the Kapolei State Office Building (Suite 555). The Commission discharged its responsibilities on June 30, 2002.

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I. TRANSFER OF RESPONSIBILITIES TO HCDA

DISESTABLISHMENT OF THE BPNAS REDEVELOPMENT COMMISSION

In accordance with Senate Bill 2702, SD2, HD2, CD1, the Hawaii Community Development Authority (HCDA) assumed the duties of the BPNAS Redevelopment Commission on July 1, 2002, the Commission was disestablished, and §206G, HRS was repealed. All contracts, administrative rules, and other encumbrances relating to the Commission were assumed by HCDA. The Kalaeloa Community Development Revolving Fund and the \$51,592 therein was transferred to HCDA, and Senate Bill 2702 established a \$500,000 ceiling for the revolving fund. It also authorized HCDA to assess the non-federal end-users of the property for a proportionate share of its operating costs for the Kalaeloa Community Development District (KCDD).

HCDA established a presence for its KCDD office in the project area by assuming the former BPNAS Redevelopment Commission office space in the State Historic Preservation Office in the Kapolei State Office Building, Suite 555, at 601 Kamokila Boulevard. The existing telephone numbers (692-7924 and 7925) and fax number (692-7926) will remain in effect. HCDA has retained the services of the former Commission Secretary, Kristelle Batino. All Redevelopment Commission files and properties were transferred to HCDA and will be kept in the Kapolei office.

The rationale for the transfer of duties from the BPNAS Redevelopment Commission to HCDA is that HCDA has experience in implementing redevelopment plans and will be able to expedite the economic development potential of Kalaeloa. HCDA is in the process of developing its long-term goals and objectives for the KCDD. The HCDA will determine staffing requirements for Kalaeloa and establish an assessment system to provide funding for Kalaeloa staff and operations.

The following are a number of major actions identified by the BPNAS Redevelopment Commission that need to be accomplished after turnover and their status. To complete the remaining conveyances, the HCDA will work with the Navy.

Drainage Studies. The City and County of Honolulu is open to the establishment of a special drainage district for Kalaeloa that recognizes the porous nature of the substrate and allows for percolation of runoff rather than expensive concrete structures required by code to channel the runoff into the sea. The City will require geotechnical studies to affirm the effectiveness of this method of drainage. The infrastructure master plan estimates the cost of these studies to be up to \$600,000 depending on the level of detail required by the City. In spite of multiple attempts by the BPNAS Redevelopment Commission to obtain the funding for these studies, they remain unfunded. While the City is going through the process of master rezoning for Kalaeloa, it is anticipated that building permits will not be granted until the drainage issue is resolved. This remains the highest priority issue for the successful redevelopment of BPNAS (Kalaeloa).

Utilities Licenses and Conveyance. At this time, the Navy has licensed, but not conveyed, the potable water system serving Kalaeloa to the City Board of Water Supply and has not licensed nor conveyed the wastewater system to the City & County of Honolulu's Department of Environmental Services (ENV). The BPNAS Redevelopment Commission continues to hold the license for the wastewater system, making any necessary repairs and billing end-users for wastewater services. The Commission in consultation with the Navy made known that it was to cancel its licenses effective upon its disestablishment on June 30, 2002. The Navy anticipated that

the wastewater license would be assumed by HCDA if the ENV did not execute it by June 30, 2002. This issue requires immediate resolution.

Rezoning Applications and Building Permits. HCDA must be prepared to assist end-users in their requests for rezoning and building permits to develop their properties. The drainage issue discussed above is critical to this process, and often the BPNAS Redevelopment Commission has been required to act as an intermediary on these issues.

Cooperation with Fluor Hawaii. The Navy has selected Fluor Hawaii, L.L.C. to redevelop Ford Island. Included in the property to be developed in the project are Navy lands at other Oahu locations including the Navy-retained portion of BPNAS. SB 2702 included the entire 3,750 acres that were the former BPNAS in the definition of the Kalaeloa Community Development District. This may make it desirable for HCDA and Fluor Hawaii to cooperate in an integrated approach to the area. For example, the Fluor development might be integrated into the Ewa Development Plan through the Kalaeloa Special Area Plan.

Redesignation of Surplus Properties. At its May 9, 2002 meeting, the Commission redesignated two properties for which the U. S. Fish and Wildlife Service (USFWS) retracted its request. A third USFWS parcel, #23, is likely to become surplus, and the State Department of Land and Natural Resources (DLNR) has retracted its request for two parcels that constituted its Heritage Park proposal. The redesignation process requires a minimum of two months of preparation, and the BPNAS Redevelopment Commission was not able to take action on these parcels before it was disestablished on June 30, 2002. Should the third USFWS parcel become surplus, HCDA should be prepared to solicit proposals for its redevelopment, conduct a public hearing, and act upon the recommended disposition of the parcel. In the case of the Heritage Park parcels, they have already been designated by the Commission for Park use. The Commission contends that Park use includes Conservation and that no further Commission action is required on these parcels so long as Park/Conservation use is appropriate. The Navy is in the process of confirming this contention.

Conveyance of Remaining Properties. Only about two-thirds of the surplus property has been conveyed to the end-users to date. The Navy is negotiating with the State Department of Hawaiian Home Lands (DHHL) on the terms of conveyance of approximately 587 acres. The Navy offered the Department of Parks and Recreation, City and County of Honolulu (DPR) early conveyance of 460 acres of park property for use while environmental remediation activities are being conducted. DPR has opted to wait until the remediation activities are completed before accepting these properties.

The Navy estimates that it will be 2004 before all property including the electrical system can be conveyed. HCDA should be prepared to assist the end-users in obtaining the conveyances of their properties. See section III for details on conveyances.

Roadway around Southern Airport Boundary. HCDA assumed the responsibilities of the BPNAS Redevelopment Commission contained in the January 21, 1999, Agreement with the State Department of Transportation (DOT) to make a good faith effort to frame and schedule construction for a roadway around the southern airport boundary to connect with the West Perimeter roadway within five years (January 21, 2004). See Section V. Paragraph C for more information.

Roadways not Transferred to the Commission. In June of 2002, the National Guard attempted to

get mail delivery to a facility on Wright Road. Wright Road serves the Guard exclusively and, therefore, was not acquired by the BPNAS Redevelopment Commission. It is not a subdivided roadway and is not recognized by the City. Therefore, an address cannot be assigned. There are 72 other roadways in this category (exclusive use). HCDA should be aware of this problem and assist the end-users wishing to have exclusive use roads recognized by the City and County.

II. BPNAS REDEVELOPMENT COMMISSION

A. AWARDS

At its August 23, 2001, meeting the BPNAS Redevelopment Commission received a Department of Defense (DOD) award “in recognition of Outstanding Service.” The award, in the form of a DOD plaque, was presented by Mr. Mark Braly, Office of Economic Adjustment Program Manager. Mr. Randy Hoffman of the Pacific Division, Naval Facilities Engineering Command presented certificates “in acknowledgement of Outstanding Service” to each of the staff members, Bill Bass, Bennett Mark, Tomi Chong, and Kristelle Batino.

III. TRANSFERS AND CONVEYANCES

A. TRANSFERS TO FEDERAL AGENCIES

The transfer of properties to the Office of Veterans Affairs, Federal Aviation Administration, Postal Service, Army, Coast Guard, and National Guard was accomplished.

1. TRANSFER OF U.S. FISH AND WILDLIFE PROPERTIES

During the federal screening process that preceded the redevelopment planning effort, the U.S. Fish and Wildlife Service (USFWS) claimed four parcels of land totaling 253 acres for conservation purposes. Since that time, USFWS has determined that it no longer requires parcels 17 and 25 (Ordy Pond) and will not accept them. The Pacific Division Naval Facilities Engineering Command declared these parcels surplus and made them available to the BPNAS Redevelopment Commission for reassignment in November 2001. The Commission publicly solicited expressions of interest in these parcels and received one proposal for parcel 17 from the State DOT - Airports and one proposal from the University of Hawaii School of Ocean and Earth Sciences and Technology (SOEST) for parcel 25.

At its May 9, 2002, meeting the BPNAS Redevelopment Commission approved the State Airports Division proposal that parcel 17, which lies at the intersection of the parallel and crosswind runways and receives the drainage from the Kalaeloa Airport, be reclassified for Airport use. The Commission also reclassified parcel 25 for Conservation use, and recommended that the Navy transfer this parcel to SOEST for research use. The Commission also recommended that the Airports Division and SOEST seek partnerships with local groups to protect the conservation and cultural resources of these lands. The Governor approved these redesignations on May 31, 2002.

B. PUBLIC BENEFIT CONVEYANCES TO STATE AND CITY AGENCIES

The majority of the former BPNAS lands were made available to various State and City and County of Honolulu agencies through public benefit conveyances (PBC). The following PBC requests were submitted:

<u>Submitting Agency</u>	<u>Requested Use</u>	<u>Status</u>
University of Hawaii	Aviation Training Center	Conveyed
City Department of Parks and Recreation	Regional Park and Sports Training Center	Pending
City Board of Water Supply	Desalination Plant	20 acres Conveyed; 10 acres Pending
City Board of Water Supply	Potable Water System	Pending
City Department of Environmental Services	Wastewater System	Pending
State Department of Education	BPNAS Elementary School	Conveyed
State Department of Land and Natural Resources	Heritage Refuge	Retracted
State Department of Transportation	Civil Aviation Airport	Conveyed
State Department of Hawaiian Home Lands	Light Industrial, Commercial, Recreational, Housing Areas	Downtown, Conveyed; Rest Pending Acceptance
State Department of Transportation	Parcel 17 for Airport Use	Approved 5/31/02
University of Hawaii (SOEST)	Parcel 25 for Conservation	Approved 5/3 1/02

Conveyance of the airport, aviation training center, school, part of the desalination plant, and homeless properties proceeded smoothly.

1. PARK CONVEYANCES

In 1998, the Navy offered the City and County of Honolulu Department of Parks and Recreation (DPR) the opportunity to occupy and use its properties while environmental remediation was being accomplished. The DPR eventually opted to wait until all remediation had been completed to accept the public benefit conveyances. Remediation work is now nearing completion, and conveyance of the park properties should be accomplished soon.

2. HAWAIIAN HOME LANDS CONVEYANCES

The Hawaiian Homelands properties are not being conveyed under the BRAC law, but under the Hawaiian Homelands Act of 1995. The U. S. Department of the Interior (DOI) is the conveying agency. Shortly after DHHL submitted its public benefit conveyance request, a local company became dissatisfied at the way in which DHHL planned to select a developer for the motor sports complex property and filed a suit against the Navy. This delayed the DOI decision-making process, but the issue has since been resolved.

The “downtown BPNAS” properties were conveyed, and the Navy presented DHHL the deeds for the remainder of its properties in late 2000. However, DHHL does not agree with some of the conditions imposed for flora and fauna and archaeological protection. Negotiations are under way to resolve these differences of opinion.

3. BOARD OF WATER SUPPLY CONVEYANCE

The U.S. Department of Health and Human Services approved the conveyance of 20 of the 30 acres requested by the City and County of Honolulu Board of Water Supply (BWS), but withdrew 10 acres claiming the BWS application did not justify that large an area. The BWS has resubmitted its application twice to justify the request for the remaining 10 acres without success. The BWS and Navy are now exploring the possibility of a negotiated sale of the remaining 10 acres to BWS.

4. DEPARTMENT OF LAND AND NATURAL RESOURCES CONVEYANCES

DLNR requested parcels 18 and 26, which are rich with cultural and historic resources, to be preserved as a Heritage Park. Parcel 26 had been used as a firing range and was contaminated with lead and other residues. To remediate this, the Navy proposed to excavate the soil to a depth of two feet, sift the materials to remove the residue, and replace the soil. Areas having cultural or historic resources were to be identified, fenced, and excavated by hand. DLNR objected to this method, which would destroy the “natural characteristics of the area,” and retracted its request.

When the Legislature passed Senate Bill 2702 that authorized HCDA to assess end-users for operating costs, DLNR retracted its request for parcel 18. Ike Aina has expressed interest in acquiring these parcels for conservation use. Since the parcels are already designated for conservation use by the BPNAS Community Redevelopment Plan, interested parties should work directly with the Navy for acquisition.

IV. ADMINISTRATION OF BPNAS COMMUNITY REDEVELOPMENT PLAN

A. PUBLIC PARTICIPATION PLAN

The Commission published the last issue of its quarterly newsletter, *Ka Makani O Kalaeloa* (the Winds of Kalaeloa) on June 30, 2001, due to the discontinuation of funding. The Commission’s web site, www.kalaeloa.org, also fell victim to the funding shortfall on June 30, 2001.

B. MODIFICATIONS TO THE BPNAS COMMUNITY REDEVELOPMENT PLAN

§206G-7 authorized the BPNAS Redevelopment Commission to modify and make changes to

the BPNAS Community Redevelopment Plan to respond to changing conditions upon concurrence by the Navy and approval by the Governor. A public hearing is required prior to consideration of any changes to the plan. Since its adoption on October 8, 1996, there have been four modifications to the plan, with modification four being completed in fiscal year 2002 as described below.

1. MODIFICATION FOUR

The Navy declared two additional parcels surplus to its needs in November of 2001. The Commission solicited Notices of Interest in the parcels between January 28 and February 28, 2002. On February 8, 2002, the Commission published a Notice of Public Hearing on May 9, 2002, for the disposition of the two parcels on April 8, 2002. The Public Hearing was conducted on May 9, 2002.

On May 9, 2002, the BPNAS Redevelopment Commission approved the designation of parcel 17 (46 acres containing a seasonal wetland and two buildings) for Airport Use and recommended that Navy convey the parcel to the State DOT. The parcel was originally being retained for federal use by the U.S. Fish and Wildlife Service, which retracted its request for the parcel.

On May 9, 2002, the BPNAS Redevelopment Commission also approved the designation of parcel 26 (nine acres containing Ordy Pond, a permanent wetland) for Conservation Use and recommended that Navy convey the parcel to the University of Hawaii for educational/ research use. The parcel was originally being retained for federal use by the U.S. Fish and Wildlife Service, which retracted its request for the parcel.

The Governor approved Modification Four on May 31, 2002.

C. ROADWAY AROUND SOUTHERN AIRPORT BOUNDARY

From the time the Kalaeloa Airport fencing was installed which cut-off potential vehicular access around the southern boundary, the community has raised strong objections. The fencing is required to meet Federal Aviation Administration safety criteria. On January 21, 1999, the State DOT and BPNAS Redevelopment Commission executed a Memorandum of Agreement to cooperate in examining all reasonable design, construction, and funding alternatives for a two-lane perimeter road around the southern boundary of the airport that will be open to the public. DOT and the Commission understand and agree that such alternatives must comply with FAA safety, design, and revenue diversion criteria. DOT and the Commission further agreed that if Kalaeloa Airport property were necessary for a perimeter road that is open to the public, the FAA would need to issue a release of that property.

Any perimeter road will be constructed when DOT and the Commission have adequate resources and have obtained appropriate administrative and environmental approvals. DOT and the Commission were to make a good faith effort to frame and schedule a road construction within five years from the date of their Agreement (January 21, 2004).

V. FINANCIALS

BPNAS REDEVELOPMENT COMMISSION FY 02 BUDGET

<u>EXPENSE</u>	<u>SUBTOTAL</u>	<u>TOTAL COST</u>
Personnel		
Secretary	\$33,000	\$33,000
Contract with Bill Bass & Associates		\$60,000
Part-Time Executive Director	\$52,500	
Rental of Postage Machine	2,200	
Telephone	1,000	
Internet Access	1,500	
Public Hearing Notices/Ads	2,000	
Use of Personal Vehicle	1,800	
Miscellaneous Office Expenses	1,000	
TOTAL		\$93,000

VI. MEMBERS AND STAFF

MEMBERS OF THE BPNAS REDEVELOPMENT COMMISSION

<u>Member</u>	<u>Source of Appointment</u>
Richard H. Egged, Chair	Governor
Public Member	
Cheryl Soon, 1st Vice Chair	Director of Transportation Services
City Member	
Maeda Timson, 2 nd Vice Chair	Neighborhood Board
Public Member	
David Blane	Director, Office of Planning
State Member	Department of Business, Economic Development & Tourism
	Mayor of City and County of Honolulu
Jonathan Brown	
City Member	
Mike Freitas	City Council
City Member	
Howard Lum	Governor
Public Member	
Brian Minaai	Director of Transportation
State Member	
Emogene Martin	Neighborhood Board
Public Member	
Randall Fujiki	Chief Planning Officer
City Member	
MGEN Edward Correa	Adjutant General
State Member	
William Balfour	Director of Parks and Recreation
City Member	
Ross Sasamura	Director of Facilities Maintenance
City Member	
Raynard Soon	Director of Hawaiian Home Lands
State Member	
Gilbert Coloma-Agaran	Director of Land and Natural Resources
State Member	

MEMBERS OF THE BPNAS EXECUTIVE COMMITTEE

The Executive Committee provided guidance to the staff on administrative matters and set the agendas for Commission meetings. The Executive Committee consisted of the three elected officers of the Commission and included representation by its State, City and County of Honolulu and public members.

Rick Egged (Public Member), Chair
Cheryl Soon (City and County of Honolulu Member), First Vice Chair
Maeda Timson (Neighborhood Board Public Member), Second Vice Chair
David Blane (State Member)

STAFF OF THE BPNAS REDEVELOPMENT COMMISSION

William M. Bass
Kristelle Batino

Executive Director
Secretary

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